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CY 2011

Outpatient Itemized Billing (OIB) Rate Package Release, Field Update, June 2011

TMA UBO Program Support
13 June 2011 @ 1400 - 1500 EDT
14 June 2011 @ 0800 - 0900 EDT

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Agenda

- OIB Overview
- General Methodology
- CMAC/CMAC Component Rates
- Other OIB Rates
- MEPRS Based Rates
- Mapping Table Updates



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OIB Overview

- TMA UBO develops rates for each outpatient encounter, service, procedure, or supply provided within a MTF
 - Rates are billed as a line-item charge
- TMA UBO CHAMPUS Maximum Allowable Charge (CMAC) rates are developed for reimbursement in the purchased care community
 - Not comprehensive (not all CPT/HCPCS codes are in the file)
 - May not represent the actual cost of the resources consumed
 - May not be applicable to care furnished in an MTF setting



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OIB Overview

- Itemized charges are based on the CMAC fee schedule and other government furnished rate tables.
 - The majority of outpatient encounters are based on CMAC rates.
- For rates not CMAC driven, Medical Expense Program Reporting System (MEPRS) data is used to calculate the average MTF operation expenses for:
 - Ambulance, Ambulatory Procedure Visit, Dental, Government discounts and Immunization-specific rates



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General OIB Rate Methodology



- Gather inputs for rate calculations

- Data Pulls and Analysis
 - Calculate average costs for MEPRS-based rates
 - Apply calculations to appropriate rate tables
- TRICARE data downloads
 - Perform Rate Calculations (CMAC, Non-CMAC and CMP)
- Develop rate mapping tables
- Deliverables for Review and Testing
 - Internal QA & Testing
 - Forward to TMA UBO, TPOCS and CHCS
- TMA UBO approval and Policy Letter development
- Publication and Distribution



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OIB Components

- CMAC & CMAC Component Rate Tables
 - Other (APV, Observation, ER)
- Ambulance
- Anesthesia
- Dental
- Durable Medical Equipment/ Supplies (DME/DMS)
- Immunization/Injectables
- IMET/IOR Government Discounts
- Mapping Tables (DMIS ID, Revenue, TPOCS, Modifier)



CMAC Rates – Overview

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OIB Primary Rate Table - CMAC and CMAC Component

- 91 CMAC localities
- CMAC locality '300' - TMA UBO specific and used for the national average of CONUS facilities
- CMAC locality '391' - TMA UBO specific and used for OCONUS facilities
- Codes set to \$0.00 (not available for separate reimbursement)
 - Includes telephone consults/assessments
- Applied reasonable charge for 41 codes that required specialty handling
 - Including ED Rates, Observation, Moderate Sedation and Hyperbaric Medicine
- **4.5% overall average percent increase from CY2010 to CY2011**



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CMAC Component

The Component rate table specifies the technical (TC) and professional (PC) components and/or the combined technical and professional service for CPT codes.

- Added technical charges for codes that CMAC did not provide rates for
 - Not available for separate reimbursement
- In general
 - PC charges are provided by TMA CMAC
 - TC charges are mapped to appropriate APC
 - Computed global rates is obtained by combining TC and PC rates



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Emergency Department Rates

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Emergency Department (ED) Evaluation &

Management Codes (99281-99285) have CMAC rates
that are billed using only the institutional charge

- Mapped the five ED codes to appropriate TRICARE APC
- Mapped to the UB 04 billing form
- Due to system limitations and electronic billing requirements (e.g., 837i and 837p), the professional portion of an ED encounter is not billed
 - CHCS can not accommodate multiple rates for the same CPT/HCPCS code



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CMAC ED Rates

| CPT Code | APC | 2010 Rate | 2011 Rate | % Difference |
|----------|-----|-----------|-----------|--------------|
| 99281 | 609 | \$53.16 | \$51.77 | (2.61) % |
| 99282 | 613 | \$87.85 | \$87.25 | (0.68) % |
| 99283 | 614 | \$140.10 | \$139.14 | (0.69) % |
| 99284 | 615 | \$223.10 | \$222.58 | (0.23) % |
| 99285 | 616 | \$327.70 | \$329.54 | 0.56 % |



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Other OIB Rates

- Anesthesia
- Durable Medical Equipment/Supplies (DME/DMS)
- Immunization
- Observation



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Anesthesia

- Implemented new methodology using the TRICARE Anesthesia Reimbursement Formula
 - (Time Units + Base Units) X National Average Conversion Factor

What
you will
see

A flat rate assigned to each anesthesia procedure

| CPT Code | Rate | Short Descriptor | Long Descriptor |
|----------|-----------|------------------------------|---|
| 01444 | \$ 524.18 | ANESTH, KNEE ARTERY REPAIR | ANES POPLIT. EXCISION & GRAFT OR REP. OCCLUSION OR ANEURYSM |
| 01638 | \$ 457.45 | ANESTH, SHOULDER REPLACEMENT | ANESTHESIA FOR TOTAL SHOULDER REPLACEMENT |



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DME/DMS --- expenses allocated for equipment and supplies on hand



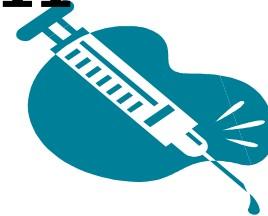
- Used CMS December 2010 DMEPOS Fee Schedule --- “floor rate”
- Removed secondary modifiers to adhere to CHCS and TPOCS file specifications
- Added 253 codes
 - Identified 239 codes that were not in the existing CMS downloadable rate file
 - Added 14 new DME codes
- Used purchased care data to develop rates for 233 existing DME/DMS procedures with a rate of \$0.00 and/or not included in the existing table.



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Immunization



Immunization --- separate charges are made for each immunization, injection or medication administered





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Observation Rates

| CPT/HCPS Code | 2011 OBS Rate (per day charge) |
|---------------|--------------------------------|
| 99218 | \$64.22 |
| 99219 | \$107.37 |
| 99220 | \$150.18 |
| 99224 | \$27.86 |
| 99225 | \$49.27 |
| 99226 | \$73.73 |
| G0378 | \$54.53 |
| G0379 | \$ 0.00 (Direct Admit) |

- Implemented approved methodology based on CMS Observation Payment Factor
 - Ability to capture both institutional and professional components
 - Captures the number of hours a patient is in Observation
 - OBS can only occur in the ED or nursing unit
 - Professional Component Calculation: CMS Payment divided by the average DoD hours a patient is in the OBS unit
 - DoD Average OBS encounter = 13.1 hours



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MEPRS-Based Rates

- Ambulance
- Ambulatory Procedure Visit (APV)
- Dental
- Immunization-specific
- IOR/IMET (Government Discount %)



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MEPRS-Based Rates

Computation and Burdening Factors

2010 2011

| | | |
|---------------|--------|---------|
| Asset Use | 4.40% | 4.40% |
| GSUR Costs | 9.90% | 9.90% |
| Military Pay | 3.40% | 1.40% |
| Civilian Pay | 2.00% | 0.00% |
| 'DMDC' Factor | \$10 | \$12* |
| DHP Growth | 12.06% | (2.44)% |

* DMDC number calculated by averaging the factor from the last two years



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MEPRS-Based Rates

Ambulance charges are based on units of service,
in 15-minute increments

Cost to Be Recovered = MEPRS Full Rate x Time

| | '10 rate | '11 rate | % change |
|------|-----------------|-----------------|-----------------|
| FOR: | \$ 227.00 | \$ 219.00 | (3.52)% |

***Ambulance is billed using A0999 (unlisted code)



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MEPRS-Based Rates

Ambulatory Procedure Visits (APVs) are assigned to CPT code 99199

- Flat institutional fee based on the institutional costs of all APVs performed in a designated Ambulatory Procedure Unit (APU) divided by the total number of APVs
- **2011 APV Flat Rate is \$1,963.06**

| | '10 rate | '11 rate | % change |
|------|-----------------|-----------------|-----------------|
| FOR: | \$ 1,909.96 | \$ 1,963.06 | 2.78% |



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Dental charges are based on a MEPRS- based flat rate multiplied by a DoD-established weight for the American Dental Association (ADA) code representing the dental service/procedure performed



**Charge = Weight * Rate
(IMET/IOR/FOR)**

'10 rate '11 rate

FOR: \$ 87.00

% change

\$ 80.00 (8.05)%

* Used 2009-2010 Dental weights, next update will be 1 Oct 2011





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MEPRS-Based Rates

IMET/IOR rate - Government adjusted discounts for interagency cost of supplies (IOR) and direct labor for the training programs (IMET)

| | '10 rate | '11 rate | % change |
|-------|-----------------|-----------------|-----------------|
| IOR: | 94% | 94% | 0% |
| IMET: | 63% | 61% | |
| | (3.13)% | | |



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MEPRS-Based Rates

Immunization (specific)

- A flat rate developed using MEPRS cost data
 - 2011 MEPRS Based Flat Rate = \$43.00



'10 rate '11 rate % change
FOR: \$ 48.00 \$ 43.00 (10.42)%



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Mapping Table Updates

- DMIS ID Mapping Table
- Revenue Mapping Table
- TPOCS Mapping Table
- Modifier Mapping Table



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DMIS ID Mapping Table

DMIS ID - Defense Medical Information System

Identifier Table is used to control medical and military facility identification and cost/workload classification.

- 48 New DMIS IDs since 2010 update
 - 20 Out of Cycle Update - October 2010
 - 39 Affects UBO billing (including OCONUS)
- Mapped all OCONUS sites to “391”
- Mapped 5400 series to locality “000”
 - Civilian institutions that bills a facility fee; MHS does not have the capability to bill separate outpatient professional fees
- Facility type changes
 - CLNC to INACTIVE; ADMIN to CLNC; ‘xxx’ to INACTIVE



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Revenue Mapping Table

Revenue Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, description and available revenue centers.

- Added/deleted/revised and provided proper revenue code designation for all active codes
- Used 510 (clinic) revenue code as default
 - In the case where no revenue centers were indicated
- Incorporated Service specific requests – resequencing revenue centers



TPOCS Mapping Table

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TPOCS Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes additional information as needed to process a claim
- Specifically designed for the TPOCS billing environment
- Updated code series
 - Added / Deleted codes
 - Enhance existing code ranges
- Verified all mapping to appropriate tables
- Added/Updated/Deleted applicable modifiers



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Modifier Mapping Table

Modifier Mapping Table identifies the CPT/HCPCS procedure, supply, drug code, and description with appropriate modifiers.

- Includes mapping to appropriate OIB table
- Determines which modifiers are appended to which code ranges

- Updated code series and verified mapping
- Modifiers
 - Added/Updated applicable modifiers
 - Deleted obsolete modifiers
- Compared TPOCS and Modifier Mapping Tables for accuracy
- January 1 - **New Release Date**



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ELECTIVE COSMETIC PROCEDUR ES





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Cosmetic Procedure Rates

- Please visit the TMA UBO website for more information on Elective Cosmetic Procedures Performed in the Military Health System:
http://www.tricare.mil/ocfo/mcfs/ubo/mhs_rates/cs.cfm
- A Webinar training featuring the 2011 Elective Cosmetic Procedure Rates and changes to the Cosmetic Surgery Estimator (CSE) will be held on the **21 June at 0800 EDT and 23 June at 1400 EDT**. For more information regarding the webinar training, please visit the TMA UBO website:

http://www.tricare.mil/ocfo/mcfs/ubo/learning_center/training.cfm



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Effective Date

CY 2011 OIB Rate Package in conjunction with Cosmetic Procedure Rates are scheduled to be effective **1 July 2011**.



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Contact Information

Please contact the UBO Helpdesk if you have any questions or concerns at (703) 575-5385 or UBO.helpdesk@altarum.org.